


**MEMORANDUM**

May 30, 2003

TO: County Council

FROM:  Michael Faden, Senior Legislative Attorney

SUBJECT: **Introduction:** Bill 16-03, Homestead Property Tax Credit - 2004 Tax Year

Bill 16-03, Homestead Property Tax Credit - 2004 Tax Year, sponsored by the Council President, is scheduled to be introduced June 3, 2003. A public hearing is tentatively scheduled for June 24 at 1:30 pm. This bill sets the homestead property tax credit percentage for the taxable year beginning on July 1, 2004, at 110%, as it has been for several years.

This packet contains:

Bill 16-03

Legislative Request Report

Rates in other counties (MACO table)

Circle #

1

3

4

Bill No. 16-03  
Concerning: Homestead Property Tax  
Credit – 2004 Tax Year  
Revised: May 29, 2003 Draft No. 1  
Introduced: June 3, 2003  
Expires: December 3, 2004  
Enacted: \_\_\_\_\_  
Executive: \_\_\_\_\_  
Effective: \_\_\_\_\_  
Sunset Date: June 30, 2005  
Ch. \_\_\_\_\_, Laws of Mont. Co. \_\_\_\_\_

## COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

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By: Council President

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**AN ACT** to set the County homestead property tax credit percentage for the taxable year beginning July 1, 2004.

By adding to the Laws of Montgomery County 2003

<b>Boldface</b>	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

*The County Council for Montgomery County, Maryland, approves the following Act:*

**Sec. 1. Calculation of the Homestead Property Tax Credit Percentage for the taxable year beginning on July 1, 2004.**

In accordance with Section 9-105 of the Tax-Property Article of the Maryland Code, the homestead property tax credit percentage for the taxable year beginning on July 1, 2004, is 110%.

*Approved:*

\_\_\_\_\_  
Michael L. Subin, President, County Council

\_\_\_\_\_  
Date

*Approved:*

\_\_\_\_\_  
Douglas M. Duncan, County Executive

\_\_\_\_\_  
Date

*This is a correct copy of Council action.*

\_\_\_\_\_  
Mary A. Edgar, CMC, Clerk of the Council

\_\_\_\_\_  
Date

## LEGISLATIVE REQUEST REPORT

### Bill 16-03 Homestead Property Tax Credit - 2004 Tax Year

**DESCRIPTION:** This bill sets the homestead property tax credit percentage for the taxable year beginning on July 1, 2004, at 110%

**PROBLEM:** Chapter 246 of the 1991 Laws of Maryland requires the counties to set the homestead property tax credit on an annual basis by November 15 each year. The State Department of Assessments and Taxation has asked the counties to act earlier to facilitate the printing of tax forms.

**GOALS AND OBJECTIVES:** To comply with State law.

**COORDINATION:** Department of Finance, County Attorney's Office

**FISCAL IMPACT:** No change in policy

**ECONOMIC IMPACT:** No change in policy

**EVALUATION:** None.

**EXPERIENCE ELSEWHERE:** Varies

**SOURCE OF INFORMATION:** Michael Faden, Senior Legislative Attorney  
240-777-7905

**APPLICATION WITHIN MUNICIPALITIES:** Applies only to county property taxes. Municipalities may set their own percentage. If a municipality does not act by February 1, 2004, the County cap is used to calculate the assessments that are subject to municipal taxation.

**PENALTIES:** N/A

**TABLE 5.3**  
**COUNTY HOMESTEAD PROPERTY TAX CREDIT PERCENTAGES**  
**FISCAL YEARS 1998 THROUGH 2003**

SUBDIVISION	Percentage Limitation (maximum allowable assessment increase)					
	FY1998	FY1999	FY2000	FY2001	FY2002	FY2003
ALLEGANY	10%	10%	10%	10%	10%	10%
ANNE ARUNDEL	4%	4%	4%	4%	4%	4%
BALTIMORE CITY	4%	4%	4%	4%	4%	4%
BALTIMORE COUNTY	4%	4%	4%	4%	4%	4%
CALVERT	10%	10%	10%	10%	10%	10%
CAROLINE	10%	10%	10%	10%	10%	10%
CARROLL	10%	10%	10%	10%	10%	10%
CECIL	10%	10%	10%	10%	10%	10%
CHARLES	5%	5%	5%	5%	5%	5%
DORCHESTER	10%	10%	10%	10%	10%	10%
FREDERICK	10%	10%	10%	10%	10%	10%
GARRETT	10%	10%	10%	5%	5%	5%
HARFORD	10%	10%	10%	10%	10%	10%
HOWARD	5%	5%	5%	5%	5%	5%
KENT	5%	5%	5%	5%	5%	5%
MONTGOMERY	10%	10%	10%	10%	10%	10%
PRINCE GEORGE'S	3%	3%	2%	4%	3%	3%
QUEEN ANNE'S	10%	10%	10%	10%	10%	10%
ST. MARY'S	5%	5%	5%	5%	5%	5%
SOMERSET	10%	10%	10%	10%	10%	10%
TALBOT	0%	0%	0%	0%	0%	0%
WASHINGTON	10%	10%	10%	10%	10%	10%
WICOMICO	10%	10%	10%	10%	10%	10%
WORCESTER	10%	10%	10%	10%	10%	10%

Data provided by the Maryland State Department of Assessments and Taxation,  
November, 2002